

BUSINESS PROFILE

Help business attract and retain key talent

Executive bonus strategy

Your sales opportunity

Business owners wishing to:

- Reward and retain their key people with a simple, tax-deductible strategy
- Provide key employees with an incentive that helps drive business profitability and growth

Solution: executive bonus arrangement

An executive bonus arrangement provides a bonus to reward and retain essential employees. The bonus is paid as a premium on a life insurance policy. The key employee¹ is the owner and names a beneficiary of the life insurance policy.

Two valuable benefits

1. In the event of the key employee's death, the family receives an income tax-free death benefit.
2. The cash value from the life insurance policy provides a source of retirement funds that the employee can access in an income-tax-advantaged manner. This policy may also be part of an estate planning strategy.

Target client

- Single or multiple business owners
- Has a key employee
- Key employee provides expertise in client relationships, industry knowledge, sales or management

Key employees

Sales professionals

Managers

Executives

Other highly compensated employees

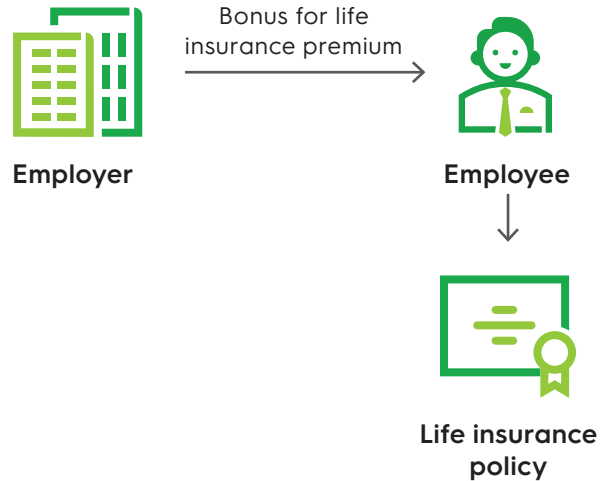
Not considered key employees

Business owners

Rank-and-file employees

How it works

- Employer pays a tax-deductible bonus to the employee.
- Employee pays income taxes on the bonus amount. The employer may choose to pay the income taxes for the employee as an additional bonus.
- Employee takes out a personal life insurance policy and names a beneficiary.
- The bonus is used to pay the premium on the life insurance policy to Minnesota Life Insurance Company or Securian Life Insurance Company, a New York authorized insurer.
- Since the employee owns the policy, he or she may take money from the policy's cash value on a tax-advantaged basis.
- If the employee dies, the death benefits are payable to the beneficiary.



Learn more

Do you have business owner clients who could benefit from an executive bonus strategy to attract and retain key employees?

We can help - call our Advanced Sales Team today:

1-888-413-7860, option 3

1. Key employees must be either highly compensated employees or management.

Policy loans and withdrawals may create an adverse tax result in the event of a lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first fifteen years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

This information may contain a general discussion of the relevant federal tax laws. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances

These materials are for informational and educational purposes only and are not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. Securian Financial Group, and its subsidiaries, have a financial interest in the sale of their products.

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its subsidiaries. Minnesota Life Insurance Company and Securian Life Insurance Company are subsidiaries of Securian Financial Group, Inc.

For financial professional use only. Not for use with the public.

This material may not be reproduced in any way where it would be accessible to the general public.



INSURANCE
INVESTMENTS
RETIREMENT

[securian.com](https://www.securian.com)

400 Robert Street North, St. Paul, MN 55101-2098
©2022 Securian Financial Group, Inc. All rights reserved.

F71834-5 Rev 1-2022 DOFU 1-2022
1982952